

1 UNITED STATES DISTRICT COURT
2 FOR THE DISTRICT OF DELAWARE

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4 ART+COM INNOVATION POOL GmbH : CA NO. 14-217-RGA

5 :

6 Plaintiff, :

7 :

8 v. : May 13, 2016

9 :

10 GOOGLE INCORPORATED, :

11 :

12 Defendant. : 10:00 o'clock a.m.

13:

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16 TRANSCRIPT OF PRETRIAL CONFERENCE

17 BEFORE THE HONORABLE TIMOTHY B. DYK

18 UNITED STATES COURT OF APPEALS JUDGE FOR THE FEDERAL CIRCUIT

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21 APPEARANCES:

22

23 For Plaintiff: FARNAN LLP

24 BY: BRIAN E. FARNAN, ESQ

25 -and-

1 BAKER BOTTS LLP

2 BY: SCOTT F. PARTRIDGE, ESQ

3 BY: MICHAEL A. HAWES, ESQ

4 BY: LARRY G. SPEARS, ESQ

5 BY: M. NATALIE ALFARO, ESQ

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8 For Defendant: MORRIS, NICHOLS, ARSHT & TUNNELL

9 BY: JACK B. BLUMENFELD, ESQ

10 -and-

11 O'MELVENY MYERS LLP

12 BY: DARIN W. SNYDER, ESQ

13 BY: BRETT J. WILLIAMSON, ESQ

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17 Other Appearances: JAMES SHERWOOD, ESQ

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24 Court Reporter: LEONARD A. DIBBS

25 Official Court Reporter

P R O C E E D I N G S

(The proceedings occurred at 10:00 o'clock a.m. as follows:)

THE COURT: Thank you. Be seated, please.

We have the Pretrial Conference in ART+COM Innovation Pool GmbH v. Google Inc.

I would like to begin by thanking counsel and Mr. Dibbs for coming here to Washington to have the pretrial.

So why don't we begin by having counsel identify themselves for the record.

MR. PARTRIDGE: Your Honor, Scott Partridge for ART+COM Innovation Pool.

And I have here with me this morning, Michael Hawes, who will be speaking during the hearing today. Gene Spears, who also will be speaking depending on how things go. And Natalie Alfaro, all with Baker Botts from Houston. And Brian Farnan, who's our Delaware counsel in this case.

THE COURT: Welcome.

(Everyone collectively said, "Good morning.")

THE COURT: For Google?

MR. SNYDER: Good morning, your Honor.

Darin Snyder filed of O'Melveny Myers for defendant Google.

Also with me is Brett Williamson of O'Melveny Myers,

1 Luann Simmons of O'Melveny Myers. Behind me David Almeling also
2 of O'Melveny Myers.

3 From Google, Mr. Jim Sherwood. And from Morris
4 Nichols, Jack Blumenfeld.

5 THE COURT: Good morning, thank you.

6 I received the draft of the preliminary jury
7 instructions. And I have revised them somewhat to add a little
8 bit in order for some of the things to make it more
9 understandable for the jury.

10 And I am going to ask my law clerk to distribute copies
11 of this, so you can look at it at the lunch hour and see what,
12 if anything, I've done to it that may cause any problems.

13 Unless counsel has any questions, why don't we begin
14 with the Pretrial Order.

15 I assume you all got it?

16 MR. PARTRIDGE: We have received it, your Honor. Thank
17 you. That was very helpful.

18 THE COURT: Why don't we begin by seeing if there are
19 any objections to the revisions I made. There's one item which
20 I reserved in here, it is with respect to the stated positions
21 of the parties. That's in Paragraph 41.

22 But, Mr. Partridge, why you don't begin.

23 Do you have any objections to the draft of the Pretrial
24 Order?

25 MR. PARTRIDGE: Your Honor, would it be useful to sort

1 of quickly go through it in order with a few questions that I
2 have for clarification, and they may be similar to the questions
3 that Google has?

4 THE COURT: Sure. You can do that.

5 MR. PARTRIDGE: And I'm looking at the red line
6 version. And on Page 4 of it, you added that the parties will
7 stipulate to the level of ordinary skill in the art.

8 And I just wanted to inform you that we have already
9 been exchanging some proposals, and we would hope by next week,
10 I think, to work something out with respect to the level of
11 skill in the art.

12 THE COURT: Okay. Good.

13 MR. PARTRIDGE: On that same page, you had decided that
14 the cross cross-examination exhibits should be included on the
15 exhibit list.

16 The exhibit lists that are attached to the Pretrial
17 Order have actually been substantially revised by the parties
18 already.

19 We've reduced the number of exhibits. We've reduced
20 the number of objections.

21 I think that, based on today's rulings, we'll probably
22 have some further reductions to make. And what I would suggest,
23 your Honor, is that we have a day next week in which we submit
24 revised exhibit lists to be attached to the Pretrial Order.

25 I suspect we'll probably still have some amendments

1 after that. But if your Honor is anxious to enter the Pretrial
2 Order with the exhibits attached, as they are referenced in the
3 Pretrial Order itself, it may be best to do it early next week
4 when we can give you a revised exhibit list.

5 THE COURT: Why don't you plan to issue the Pretrial
6 Order with the -- that exhibit with the exhibits list on it and
7 the objections to come later?

8 MR. PARTRIDGE: That would be fine with us, your Honor.

9 THE COURT: And I know there are quite a few objections
10 to exhibits. I am hoping that almost all of those are going to
11 be resolved by the parties before we get to the trial.

12 MR. PARTRIDGE: My understanding, your Honor -- and I
13 didn't participate directly in the conversations, I don't think
14 Mr. Snyder either -- but I think the parties are down to each
15 having about 90 exhibits as opposed to -- that are objected to,
16 as opposed to the larger number that you had previously.

17 And I suspect that that number is going to be reduced
18 substantially over the next several days. And my belief is that
19 by the time we start trial, there will be relatively few
20 exhibits that you'll need to address in the morning that you set
21 aside -- and at the end of the day that you set aside for that.

22 I think those issues are going to be substantially
23 reduced. So I don't think you need to be as concerned, as I'm
24 sure you were, in looking at those initial exhibit lists. I
25 think it will be improved substantially.

1 THE COURT: Okay.

2 MR. WILLIAMSON: Your Honor, Brett Williamson from
3 O'Melveny.

4 Would you like to hear from us after each point or
5 would you rather not have a back and forth? I just don't --

6 THE COURT: Well, if it's on the same point --

7 MR. WILLIAMSON: It is.

8 THE COURT: -- I might as well as hear you at the same
9 time.

10 MR. WILLIAMSON: It is. Yes, your Honor. Thank you.

11 Counsel's statement, I agree with. The parties are
12 making progress on exhibits.

13 The fact that he raised it in connection with the
14 Court's revision to what is now Paragraph 30 of the Pretrial
15 Order, I wanted to clarify that there's not a disagreement with
16 the Court's revisions, because we think that that was a material
17 change based upon what Google had asked for. So I'm just trying
18 to clarify it.

19 And talking about amendments to the exhibit list, of
20 course, we believe that while there should be documents removed
21 as appropriate and exhibits removed as well, and objections,
22 there shouldn't be any additions to the list. I just wanted to
23 make sure that was certainly our view of what the amendments
24 would be.

25 MR. PARTRIDGE: The only thing I would add to that is

1 because we were operating under the assumption that
2 cross-examination exhibits would not be on the exhibit list,
3 which was the position we took in the pretrial papers.

4 There are a relatively small number of exhibits we'll
5 need to add that are not currently on the exhibit list based on
6 your Honor's decision that cross-examination exhibits need to be
7 included on the exhibit list.

8 I doubt this is going to create a huge issue here,
9 because it isn't a large number of exhibits. But we took the
10 position that cross-examination exhibits should not be required
11 to be identified in advance of trial on the exhibit list. And
12 your Honor decided otherwise.

13 So I think it's appropriate for us to be able to amend
14 the exhibit list to add those exhibits that were not previously
15 put on the exhibit list.

16 THE COURT: Well, why don't you try to work it out
17 together. If there's a need for a ruling, I will make a ruling
18 on it.

19 MR. WILLIAMSON: We'll do that, your Honor. Thank you.

20 MR. PARTRIDGE: As to the paragraph you identified that
21 deals with native files, your Honor. We can skip that for the
22 moment and turn to Page 11 on the red line.

23 MR. SNYDER: If we're going in order, perhaps we should
24 stop on Paragraph 41.

25 THE COURT: Why don't we resolve Paragraph 41, because

1 I'm not sure that I understand the differences between the
2 parties here.

3 MR. PARTRIDGE: Okay. If I may, your Honor?

4 Ms. Alfaro will address Paragraph 41. She knows more
5 about the natives than I do.

6 MS. ALFARO: Yes, your Honor.

7 So the difference in positions is that Google is
8 proposing that the native documents, spreadsheets, be submitted
9 to the jury or admitted into the Court in native format, an
10 electronic version.

11 And, so, we oppose that. And we would propose that any
12 native exhibits that are admitted in Court be actually be
13 printed out on paper in PDF version.

14 THE COURT: The difficulty is, because of the number of
15 rows and columns, it's different to print them out on paper.

16 MS. ALFARO: I think that is the position that Google
17 is taking.

18 However, during discovery in depositions, the parties
19 managed to print out the spreadsheets on paper and hand them to
20 witnesses.

21 So it's definitely something that can be done. And we
22 actually provide in our proposal that if there is a specific
23 spreadsheet where this is not possible, where it cannot be
24 reasonably accomplished, the parties can work that out and we
25 can bring that up to the Court.

1 But Google have not identified the spreadsheet where
2 that is an issue.

3 THE COURT: Well, why don't we give Mr. Snyder a turn.

4 MR. SNYDER: The only other thing I would ask, your
5 Honor, if I may, is that we're concerned about how the jury
6 would use native files during its deliberations, because native
7 files, if you know how to work a computer and looking at native
8 files, you can actually rework what the data may look like.

9 And, so, we're uncertain both for purposes of jury
10 deliberations. And then in terms of both trial and appeals,
11 what is it that the jury actually used from a native file? How
12 did they search it? What did they look at? Did they actually
13 look at what was used by the witness or did they use something
14 else?

15 THE COURT: I understand.

16 MR. SNYDER: What we propose, your Honor, is that
17 unduly voluminous exhibits -- and this often primarily includes
18 financial spreadsheets -- we submit it to the Court as exhibits
19 in electronic format that cannot be changed. It would be Read
20 Only. And also be submitted to the jury in a Read Only format.

21 Typically, the way we've handled this in the past is
22 installing it on a computer where the files are locked. If
23 there is any question about the ability to lock, for example, an
24 Excel file, it can also be converted to PDFs and put on the
25 computer, so they can't be manipulated or revised in I way.

1 The problem with submitting them in paper is exactly
2 the one the Court foreshadowed.

3 The numbers of rows is so large, it would often take
4 thousands of pages to print them. And sending several boxes of
5 documents into the jury room isn't productive.

6 THE COURT: How many exhibits are we talking about that
7 present the volume problem?

8 MR. SNYDER: Depending on how many ultimately get
9 admitted, my guess is that we're talking about between five and
10 15.

11 THE COURT: And how many thousands of each of those has
12 thousands of pages?

13 MR. SNYDER: Each of those would have, if printed,
14 would be somewhere between several hundred pages and up to a few
15 thousands pages. There is one spreadsheet -- one exhibit that
16 is a spreadsheet on the exhibit list that is tens of thousands
17 of rows.

18 THE COURT: I'm going to allow them to be submitted in
19 native format without printing them out.

20 And, as you say, it's going to be a Read Only format.
21 Any questions about?

22 MS. ALFARO: No, your Honor. We would just like to
23 make sure that in Read Only format that the jury would not be
24 able to modify them.

25 I know that they -- in Read Only format you cannot save

1 it once it's modified. But in some cases I've seen that the
2 jurors can actually -- or that somebody can actually modify the
3 Excel spreadsheet and rely on that modified data when they are
4 looking at it. But then the Read Only file will not allow them
5 to save it.

6 THE COURT: Well, why don't you work that out. I think
7 it's possible that Read Only file that can't be modified, so --
8 and that's appropriate and that's what should be done.

9 Why don't you try to work it out and see if you can't
10 agree on a format so that it can't be modified?

11 MR. SNYDER: Yes, your Honor, we will.

12 MS. ALFARO: We will do that, your Honor. Thank you.

13 MR. PARTRIDGE: My next question, your Honor, is Page
14 11 of the red line, which is Paragraph 59.

15 And this is an issue -- and I wish I had thought of
16 asking Mr. Snyder about this this morning, I suspect we're
17 probably in agreement -- it has to do with how the deposition
18 designation time is allocated.

19 The way deposition video is prepared today is that
20 there are time stamps on the video. And it's really easy for
21 both videographers for Google and our videographer to actually
22 calculate the amount of time for each side when a deposition is
23 played.

24 There isn't anything automatic with respect to counting
25 lines and then going back and doing some sort of a line

1 evaluation.

2 My preference would be to do it the way that
3 videographers normally do it, which is, they calculate the
4 amount of time that's played from the designation and the
5 counter-designation, rather than trying to get into some sort of
6 a line type calculation.

7 Do you agree with that, Mr. Snyder?

8 MR. SNYDER: Your Honor, for depositions that are
9 presented to the jury by video, we would agree that we can use
10 the time stamps and allocate to each party the amount that they
11 designated that was played to the jury.

12 That's a slightly different situation than when the
13 depositions are read back.

14 But for video depositions, we would agree to that.

15 MR. PARTRIDGE: And when they are read back, I think
16 the line approach would probably work.

17 THE COURT: Why don't you get together and work out how
18 the language of Paragraph 59 should be changed to reflect that
19 agreement.

20 MR. PARTRIDGE: We will do so, your Honor.

21 My next question actually related to the preliminary
22 jury instructions, so I'll wait until we have a chance to look
23 at that.

24 We have some questions that arise on Page 18 about the
25 bench trial, your Honor.

1 But it may be that you want to address that in
2 connection with the list of issues that the parties provided
3 you. It arises there as well.

4 THE COURT: Why don't we do it here.

5 Does Google have anything before Page 18?

6 MR. SNYDER: No, your Honor.

7 THE COURT: So what's the issue here?

8 MR. PARTRIDGE: The issue with the bench trial, your
9 Honor, and I sent an e-mail to Mr. Snyder yesterday about this,
10 and it also was in one of the attachments to the Pretrial
11 Order -- it may have been in the issues with -- I can't
12 remember.

13 We would like to have a procedure in place, a
14 disclosure procedure in place for the bench trial, so we know
15 the witnesses, the deposition designations, the exhibits for the
16 bench trial.

17 Our assumption is that it's a subset of what's already
18 been exchanged by both sides. I can't imagine it would be
19 outside the exchange that has already occurred.

20 But in trying to prepare for the bench trial, it's
21 very, very difficult to know from all the material that has been
22 identified thus far, both in terms of deposition designations
23 and exhibits, as well as the long list of witnesses that each
24 side has identified thus far, what the bench trial is going to
25 consist of.

1 My suggestion is that we have a disclosure procedure
2 that takes place before the jury selection on the 19th. So that
3 at the end of that selection, after we talk about the charge
4 conference, we could talk a little bit about the structure of
5 the bench trial. That would enable us to prepare for it.

6 So I think in the next day or two, that Google ought to
7 provide us with an identification of its witnesses, and depo
8 designations, and exhibits for the bench trial.

9 And then we respond to that with our counters, which
10 would be within that, you know, set of exhibits and designations
11 thus far, but the subset that's focused on the bench trial.

12 And then if there are any issues with each of our
13 disclosures in advance of the hearing on the 19th, we could then
14 address that with your Honor so that we know what the bench
15 trial is going to look like at the end of the following week.

16 THE COURT: Mr. Snyder?

17 MR. SNYDER: Thank you, your Honor.

18 My concern with Art+ counsel's proposal is that it
19 requests that Google make these disclosures, very specific
20 disclosures, even before ACI has to make these disclosure about
21 the jury trial.

22 We have a procedure for identifying witnesses and when
23 they will be disclosed. We have a procedure for identifying
24 demonstratives and exhibits that will be used and exchanged.

25 And now plaintiff proposes that we do that for the

1 bench trial, even before it starts that process for the jury
2 trial, which doesn't seem fair or reasonable.

3 I do understand that there might be an issue with
4 asking live witnesses to stay. We don't know yet what witnesses
5 ACI will call live.

6 I believe they are required to make that disclosure the
7 Saturday before the trial starts the following Monday, so it
8 would be 21st, I believe.

9 And I'd be happy to tell them, very shortly thereafter,
10 which of their witnesses that need to stay until Friday for the
11 bench trial, but I can't do that before then.

12 I don't see that there is any reason to disclose other
13 materials, such as demonstratives or exhibits, which have
14 already been disclosed for the general purposes of the trial, on
15 any schedule that's different than we're using for the rest of
16 the trial.

17 THE COURT: But my understanding of the proposal was
18 that they just wanted a witness list for the bench trial, just
19 as you have a witness list for the jury trial.

20 And similarly, they want an exhibit list for the bench
21 trial, just as we have for the jury trial.

22 Am I misunderstanding?

23 MR. SNYDER: I don't know. All of our witnesses and
24 exhibits are a subset of what we've identified for the trial,
25 generally.

1 There is no separate list of exhibits or witnesses for
2 the equitable issue to be tried at the bench.

3 THE COURT: Well, what is the problem with identifying
4 it with a subset somehow next week that you were going to use
5 for the bench trial?

6 MR. SNYDER: We can create a subset. There is going to
7 be an overlap. And I'm afraid, your Honor, that we're just
8 creating busy work by segregating what was one set of
9 disclosures into two pieces.

10 THE COURT: Mr. Partridge?

11 MR. PARTRIDGE: Your Honor, I think the -- you got
12 exactly what I was requesting in your statement to Mr. Snyder.

13 This is a separate trial. And in preparing for the
14 jury trial, the plaintiff -- ART+COM in this case -- has to go
15 first with respect to its exhibits, and depo designations, and
16 witnesses.

17 And then the defendant responded to that and that led
18 to exchanges --

19 THE COURT: I don't think I need any more argument on
20 that.

21 I'm going to require the identification of a subset of
22 witnesses and exhibits that are going to be used for the bench
23 trial. And I would suggest that that be done by Friday of next
24 week.

25 Does that work well enough?

1 MR. SNYDER: We can do that, your Honor.

2 And to be clear, if I can ask for some clarification
3 from the bench.

4 Would this subset include exhibits that we contemplate
5 using for both the jury portion of the jury, and the equitable
6 portion, or only for the bench trial?

7 THE COURT: I think what I'd like you to do is to come
8 up with a separate exhibit list and witness list for the bench
9 trial, each side, so that we know what the subset of exhibits
10 and witnesses are for the bench trial.

11 MR. SNYDER: And I'm sorry if I'm just not -- if I'm
12 being a little dense this morning.

13 Let me give a specific example.

14 If an exhibit is going to be used in the jury trial --
15 let's take an easy one, the '550 patent. So it's going to be an
16 exhibit. Would we also need to list it as an exhibit for the
17 bench trial?

18 THE COURT: Yes.

19 MR. SNYDER: Okay. Thank you.

20 MR. PARTRIDGE: Thank you, your Honor.

21 My next question occurs on Page 20.

22 Your Honor, I think Paragraphs 81 and 82. And I think
23 these paragraphs are clear, but I want to make absolutely
24 certain that I fully understand and appreciate what your Honor
25 is requesting here.

1 As I read these paragraphs, when we have our charge
2 conference next week, we'll have an informal conference and then
3 we'll have, after that, a formal conference which we state any
4 objections we might have to the instructions.

5 But then we're going to have a second formal charge
6 conference after that in which if we don't restate our
7 objections based on any changes the Court might make in the
8 instructions, then they're waived.

9 So the second time is the time that really, ultimately
10 counts, that we need to state whatever objections we have;
11 otherwise, they're waived and we shouldn't count on the first
12 formal charge conference as a basis for objections to the charge
13 for purposes of appeal?

14 THE COURT: We're only going to have one formal charge
15 conference.

16 MR. PARTRIDGE: Okay.

17 THE COURT: I thought that counsel was suggesting
18 having an informal charge conference after the jury selection
19 next Thursday.

20 I said that I was willing to do that.

21 And then I was contemplating have a second informal
22 charge conference some time after the evidence is in the trial
23 to resolve any remaining things.

24 And then we would go on record for the formal charge
25 conference in which objections could be made to the final charge

1 that hadn't been worked out.

2 MR. PARTRIDGE: Okay. I think I understand, your
3 Honor.

4 So it's that last iteration is the one that ultimately
5 counts that we make our formal objections for purposes of the
6 record?

7 THE COURT: Yes.

8 MR. PARTRIDGE: Okay. Thank you, your Honor.

9 MR. SNYDER: Two quick points or questions, your Honor.
10 First, on the schedule. The parties are working to
11 create and agree to the extent that they can on the revised
12 final jury instructions, which are going to be submitted.

13 We can evaluate next Thursday, at the time of jury
14 selection, to what extent it make sense to have the informal
15 charge conference then, but this schedule is somewhat different
16 than we had talked about on the telephone conference previously.

17 Secondly, I do have one question to clarify Paragraph
18 81, your Honor.

19 THE COURT: Yes.

20 MR. SNYDER: The first sentence says that the charge to
21 the jury will be given before closing argument, before the jury
22 begins.

23 The next sentence -- and this may be the one that
24 caused Mr. Partridge to raise it in the first place -- following
25 the delivery of the charge to the jury, counsel will be given an

1 opportunity to state any objections to the charge for the
2 record.

3 THE COURT: Yes. That's confusing. I see that that
4 would cause confusion.

5 The charge conference will occur immediately before the
6 charge is given to the jury. And you'll have the opportunity to
7 object at that point.

8 MR. SNYDER: At the charge conference?

9 THE COURT: At the charge conference.

10 MR. SNYDER: So we will to the need to make objections
11 after the charge is read to the jury?

12 THE COURT: Correct.

13 MR. PARTRIDGE: Mr. Snyder understood my confusion
14 better than I did, your Honor. Thank you. That was the point.

15 If we could turn to -- my next one is on Page 22.

16 MR. SNYDER: We have a question, your Honor, if we're
17 going in order again regarding Paragraph 85 on Page 21.

18 THE COURT: Yes.

19 MR. SNYDER: And we understand the Court's point that
20 the trial shall be open to the public.

21 What the Pretrial Conference Order does not currently
22 address and the Protective Order doesn't address is the handling
23 of exhibits that contain confidential information.

24 And we'd like to get clarification from the Court on
25 how it would like exhibits that contain confidential information

1 to be handled?

2 THE COURT: Well, what I'm assuming is that exhibits
3 which contain confidential information will remain confidential.

4 You'll show them to the jury on the screen, I take it.
5 And they'll be available to the jury in paper form.

6 But those will not be available to the members of
7 public who request copies of those.

8 Does that answer your question?

9 MR. SNYDER: That answers most of my question, your
10 Honor.

11 And for portions of confidential exhibits that might be
12 viewable to the jury, can we, if necessary, make arrangements so
13 that the public can't see those documents during trial, should
14 someone not under the Protective Order happen to be in the
15 courtroom?

16 THE COURT: Is the courtroom set up so that the monitor
17 can be viewed by the public when the exhibits are displayed?

18 MR. SNYDER: The screen for the jury is a very large
19 screen on the back wall of the courtroom immediately opposite
20 the jury. They don't have individual monitors in Judge Andrews'
21 courtroom.

22 THE COURT: So what's the proposal, that the screen be
23 tilted in such a way that only the jury can see it and not the
24 public?

25 MR. SNYDER: If that's possible, yes.

1 THE COURT: I'm not insisting that confidential
2 exhibits be viewable by the public on the screen.

3 So why don't you try work put a procedure whereby when
4 that's going to happen, so the screen can be moved so only the
5 jury can see it.

6 I mean, we may have a situation in which no one's
7 interested in and it may not be a problem.

8 MR. SNYDER: Okay. Thank you, your Honor.

9 MR. PARTRIDGE: And my next section that I'd like to
10 address is on Page 22. And it's Paragraph 89. This is
11 Paragraph that deals authenticity.

12 Your Honor, we understand, I believe, what you're
13 suggesting here.

14 Our concern is primarily with respect to non-party
15 documents that are offered as exhibits in the case. Protective.

16 And in fact there are, there's at least one document
17 that Google is relying upon that I don't think anybody knows
18 where it came from.

19 And, so, they have the ultimate burden with respect to
20 whether that's authentic or not. And I would think that with
21 respect to any third-party documentation for which there's a
22 legitimate authenticity issue, that the burden can't shift.

23 We must first come forward with an objection. We can't
24 prove that it's not authentic if we don't even know who the
25 third party is.

1 THE COURT: Well, this paragraph only covers documents
2 which were produced in discovery by third parties.

3 So, if there was some document that was obtained
4 outside of discovery, there wouldn't be any presumption with
5 respect to that.

6 MR. PARTRIDGE: There was a document produced during
7 the course of discovery by Google for which they can't
8 authentic.

9 THE COURT: A third-party document?

10 MR. PARTRIDGE: Yes, your Honor.

11 And we have raised the question with them as to
12 authenticity of that particular document. It's a prior art
13 document.

14 And our view is that they can't authentic it. It's a
15 document they want -- -

16 THE COURT: The presumption will only apply to
17 documents that were produced by the producing party and not
18 documents that they obtained that that were in their files.

19 MR. PARTRIDGE: So if it is a document that comes from
20 the files of the party, sort of kept in the ordinary course of
21 business of the party, then this presumption of authenticity
22 applies. But if the document is not one that exists in the
23 files of the parties themselves, and was obtained for purposes
24 of the litigation as being offered as an exhibit, then the party
25 who's offering it has the burden, always has the burden with

1 respect to all the these?

2 THE COURT: Correct.

3 MR. PARTRIDGE: All we need to do at that point, I
4 would think, is to raise the issue of authenticity, make our
5 argument and then they would bear the burden with respect to the
6 document?

7 THE COURT: Well, there is no presumption with respect
8 to that document, which didn't come from the producing party's
9 file.

10 MR. PARTRIDGE: Okay. That's the clarification I
11 wanted, your Honor.

12 And less you be concerned that you are going to be
13 facing a bunch of authenticity issues, it's at least for me rare
14 that I've had to raise authenticity issues in my cases. That's
15 probably true for Mr. Snyder as well.

16 So I think this is going to be a very, very small
17 number of documents. It may only be one, but it could a couple,
18 so it's not a big issue.

19 THE COURT: Okay.

20 MR. PARTRIDGE: And insofar as the rest of the Pretrial
21 Order red line that you circulated, that completes our list.

22 There are some additional issues that are part of Exhibit
23 15. The Issue List that both Google and ART+COM have raised.

24 But insofar as to what you put in the Pretrial Order by
25 way of red lines, we've covered all of our issues, your Honor.

1 THE COURT: Mr. Snyder, do you have anything else?

2 MR. SNYDER: Nothing more on the Pretrial Order, your
3 Honor.

4 Thank you.

5 THE COURT: Just for the record, does any party have
6 any objections to the Pretrial Order as it's been revised this
7 morning?

8 MR. PARTRIDGE: Subject to the discussion we've just
9 had, no, your Honor.

10 MR. SNYDER: The same, your Honor.

11 THE COURT: I don't know what that means.

12 MR. PARTRIDGE: Well, there were a couple of areas
13 where you asked us to get together and --

14 THE COURT: Oh, yes. That's fine.

15 MR. PARTRIDGE: That's correct, your Honor.

16 THE COURT: Let's talk about Exhibit 15.

17 And by the way, the Pretrial Order is going to be a
18 public document.

19 But as I understand it, some of the attachments, for
20 example, in the Motions in Limine, they'll be marked
21 "Confidential" pursuant to the Protective Order.

22 Is there a need to continue confidentiality with
23 respect to those documents? Do you want to think about it?

24 MR. PARTRIDGE: I don't think there is, your Honor.

25 But I would want to double check. And for sure we could produce

1 redacted versions if there is an issue.

2 MR. SNYDER: If we haven't provided redacted versions,
3 we can, your Honor.

4 I can't say with confidence, without going back and
5 looking at each one of them, that they could be made public.
6 They were filed under seal for a reason.

7 THE COURT: Expert reports?

8 MR. SNYDER: Right. There is financial information in
9 them. In some of them, for example, there is confidential
10 information and we'd like to keep it confidential.

11 THE COURT: Well, why don't give me -- each side give
12 me a list of exhibits to which confidentiality should be
13 maintained. And we'll have a public version of the Pretrial
14 Order, which doesn't include those exhibits, and then a
15 non-public version which does include them.

16 MR. PARTRIDGE: We can do that.

17 Thank you.

18 By the way, when would you like that?

19 THE COURT: By Monday.

20 MR. PARTRIDGE: That's fine, your Honor.

21 THE COURT: What issues do we have here in Exhibit 15?

22 MR. PARTRIDGE: The first issue we raised, your Honor,
23 concerns the inter partes review proceedings being part of the
24 Pretrial Order.

25 We're going to pass on that, your Honor.

1 We wanted you to be aware of the fact that there were
2 two IPRs that were denied by the Patent Office that relate to
3 issues in the case.

4 THE COURT: And I'm aware of that. And I'm going to
5 grant, when we get to it -- I'm going to grant the Motion in
6 Limine to exclude mention of those before the jury.

7 So the inter partes reviews, they are not going to get
8 copies of that.

9 MR. PARTRIDGE: Yes. And when we get to that point,
10 your Honor, there is one thing that we would like to say about
11 that just to make sure the record is clear.

12 The No. 2 issue we raised, the specific factual
13 admissions that we thought should have been included in the
14 statement of admitted facts.

15 What we are going to do, in lieu of being able to
16 include those is -- admitted facts in the case -- is to submit
17 the admission responses as an exhibit in the case. Unless, of
18 course, Google changes its mind with respect to the set of
19 factual admissions that we've identified.

20 So I don't know that your Honor needs to do anything
21 with that. We'll just now make it an exhibit since we can
22 include it in the Pretrial Order.

23 Our next issue concerns evidentiary issues, your Honor.

24 And it is item No. 3 in the Issues List.

25 Use of deposition clips in ACI's case-in-chief.

1 THE COURT: I've included that provision in the
2 Pretrial Order that Rule 32, when it's appropriate to use video
3 instead live testimony, you can do that with respect to a
4 30(b)(6) witness or corporate officer.

5 But I'm not going to permit it otherwise. You'll have
6 to have the witness testify live.

7 MR. PARTRIDGE: Your Honor, may I make one comment
8 about that, and it probably won't change your my mind?

9 But my concern is that we have a timed trial. And the
10 timing is tight. I think it can be accomplished, as we've
11 discussed previously.

12 It is -- there are only a few witnesses to which this
13 applies. And it is going to be so much faster to play a
14 30-minute depo clip than it is going to be to put a witness live
15 on the stand to do the same thing that has already been done
16 with respect to the deposition.

17 THE COURT: I understand. And if the inter partes can
18 agree to do that, you can agree to do it.

19 But if you don't agree to do it, the only exception to
20 those is stated in Rule 32.

21 MR. PARTRIDGE: Okay. Understood, your Honor.

22 The next issue, which is the -- may I have a moment,
23 your Honor, because this may be resolved?

24 THE COURT: Sure.

25 MR. PARTRIDGE: I think we've already addressed issue

1 No. 4, your Honor.

2 Issue No. 5 is one that I believe both inter partes
3 have raised, which has to do with procedure for admission of
4 exhibits. And I think we talked about this a little bit on the
5 status conference.

6 As witnesses identify exhibits, during the course of
7 their testimony, we think that the exhibits ought to be offered
8 either at the at the time the exhibit is identified with the
9 witness or at the conclusion of that particular witness's
10 testimony.

11 So that the offer is made and the Court can rule on the
12 admissibility of the exhibits.

13 THE COURT: I think it probably should be after the
14 testimony is concluded. Otherwise, I'm afraid sometimes I lose
15 track of exhibits and the housekeeping is not done properly.

16 MR. PARTRIDGE: That's our preference, your Honor. And
17 I just wanted to clarify that. I think that it would make
18 things go more quickly as well.

19 THE COURT: Mr. Snyder?

20 MR. SNYDER: It is, your Honor.

21 And to clarify, after each witness finishes, you would
22 like us to move rather than doing it, for example, at the end of
23 the day?

24 THE COURT: Yes.

25 MR. SNYDER: Okay. And do you want us to indicate at

1 that time whether any of those exhibits, the exhibits that are
2 moved, should be treated as confidential?

3 THE COURT: Yes. I think that would be a good idea.

4 MR. SNYDER: Thank you.

5 MR. PARTRIDGE: The only other thing I would suggest in
6 this regard is implied by Mr. Snyder's response, which is that
7 in my experience it's been good at the end of the day for both
8 sides to get together and make sure our lists are complete --

9 THE COURT: Right.

10 MR. PARTRIDGE: -- and that we haven't made an error.
11 And then we would notify the Court if, in fact, we discover we
12 included something that we shouldn't have been included, or we
13 left something out that was part of the testimony.

14 THE COURT: That's fine.

15 MR. PARTRIDGE: Very well.

16 As to our other issues, on our part of the Issue List,
17 I think they have all been addressed already, your Honor.

18 There are some joint issues at the back of this list,
19 but taking it in order, we would should probably go to Google's
20 list on Page 4, and let Google proceed before we go to the joint
21 issues.

22 MR. SNYDER: I think most of these issues have been
23 resolved, your Honor.

24 We did raise a question, which is No. 8 on Page 6 of
25 Exhibit 15, related to the use of an interpreter.

1 And this is really just to get clarification before the
2 trial starts of your Honor's preference for how the parties will
3 use and how the witness, more importantly, will use the
4 interpreter.

5 The parties have agreed on a single interpreter.

6 THE COURT: Have the parties identified the
7 interpreter?

8 MR. SNYDER: I don't remember her name, but we have
9 agreed on one, your Honor.

10 MR. PARTRIDGE: Yes, your Honor.

11 THE COURT: Okay.

12 MR. SNYDER: So there will only be one. We don't know
13 yet whether the witnesses will testify English or in German.

14 And it appears that there may be a witness or witnesses
15 who will testify in both. And I think it would be useful for
16 everyone to understand how your Honor prefers that be handled?

17 THE COURT: I'm not sure I understand what the issue
18 is?

19 MR. SNYDER: Well, does the interpreter for -- for
20 example, does the interpreter stand by and wait for the witness
21 to request an interpretation or translation, or do we start out
22 with the presumption that the questions are going to be
23 translated and the answers translated?

24 THE COURT: Well, did the parties differ about how to
25 do it?

1 MR. SNYDER: We don't know yet what language the
2 witnesses are going to testify in.

3 MR. PARTRIDGE: I think that at least two of our
4 witnesses are going to be able to testify in English. And
5 they'll do direct and cross in English.

6 It is possible that from time-to-time -- and this could
7 include my questions as well Google's questions -- that we use a
8 phrase that doesn't -- that's hard for a German given the
9 sentence structure to follow; verbs are at the end, the subject
10 is at the end? It's a different sentence structure.

11 So it's possible that the witness might say, I don't
12 understand that, and have the interpreter say what some phrase
13 means within a question.

14 That could happen with those witnesses.

15 There is one witness who I don't think can testify in
16 English. He can read English, but his conversational English is
17 not very good.

18 THE COURT: So the direct is not going to be in English
19 either?

20 MR. PARTRIDGE: No, no, no, no, no. We're not going to
21 do direct in one language and cross in another.

22 If we offer a witness in English, the cross will be in
23 English. The only thing I would note is that for anyone who's
24 second language is English, the longer the question is, the more
25 likely it is that the witness may not understand it.

1 So with second languages you're usually a little better
2 off to have shorter, more precise questions.

3 But with that, if we do address in English, they are
4 going to the cross in English as well. That is the game plan.

5 THE COURT: So, as I understand it, the concern is that
6 the witness might say, I don't understand what you mean by
7 such-and-such phrase in the question.

8 It seems to me that we could end up with a very
9 confusing record if the interpreter starts interpreting
10 particular phrases.

11 I think it would be better if a witness doesn't
12 understand the question, that the entire question were
13 translated and were handled that way, okay?

14 MR. PARTRIDGE: I agree with that, your Honor. I think
15 that's fine.

16 MR. SNYDER: And if the witness testifies, even in
17 response to a single question in German, then the translator
18 should translate the entire answer, which is then the official
19 record?

20 THE COURT: Then it's the entire question and the
21 entire answer, if the witness doesn't understand the question.

22 MR. SNYDER: And perhaps -- and there is no reason to
23 be theoretical about this, this close to trial, it sounds like
24 for two witnesses the interpreter will essentially be on standby
25 at the witness's need.

1 And if for a third witness, the interpreter will
2 translate all of the questions and answers, perhaps we can find
3 out who those witnesses are, because as counsel points out --

4 THE COURT: I'm sure Mr. Partridge will tell you.

5 MR. SNYDER: He hasn't so far, your Honor.

6 MR. PARTRIDGE: Well, we're going to do a reduced
7 exchange of the number of witnesses to testify at trial. They
8 have a much longer list than we do.

9 And I would be happy to start talking sooner rather
10 than later about who's going to be called at trial, so both
11 teams can start focusing on the real witnesses.

12 THE COURT: Well, why don't you work that out.

13 But I think on Monday I would like you to identify the
14 ones in German and the ones that are going to testify in
15 English.

16 MR. PARTRIDGE: One modification I would request to
17 that.

18 The one who I think is going to have trouble testifying
19 in English, I won't see him until Thursday of next week.

20 So I would tell you that my -- I could tell you on
21 Monday which one I think is going to have to testify in German.

22 But, if at the end of week he says he wants to do it
23 and he's willing to try it, we might change.

24 THE COURT: Well, why don't you identify them on
25 Monday. If it changes on Thursday, you can tell them to change

1 it.

2 MR. PARTRIDGE: Can we have a -- on Monday a reduction
3 of the identification of witnesses by both sides, because
4 essentially they are getting a reduction in my witness list by
5 Monday. I think it would be fair and appropriate for both sides
6 to reduce the number of witnesses that may actually be called at
7 trial.

8 THE COURT: What is the schedule now for witnesses?

9 MR. SNYDER: I believe the schedule now has an exchange
10 on Saturday, not tomorrow, but a week from tomorrow.

11 I mean, I'm not sure what reduction -- plaintiff's
12 counsel thinks this actually occurred.

13 We're only asking for which witnesses are going to
14 testify in different languages.

15 THE COURT: Yes. I'm not going to change the date for
16 -- the Saturday date --

17 MR. PARTRIDGE: Thank you, your Honor.

18 THE COURT: -- except to the extent that I want you to
19 identify the three witnesses on Monday that we talked about just
20 now.

21 MR. PARTRIDGE: Okay, your Honor. Thank you.

22 The one other issue about the interpreter is that I
23 think we should probably have the interpreter designated by the
24 Court as the interpreter for the case under, I think it's Rule
25 43, under the specific provision with respect to interpreters.

1 THE COURT: Why don't you give me a draft order that
2 you agree on for that one?

3 MR. PARTRIDGE: Okay. Thank you, your Honor.

4 THE COURT: Okay. Mr. Snyder, do you have anything
5 else?

6 MR. SNYDER: There are no further issues that are on
7 the Google list.

8 So that would just take us to the Joint List, your
9 Honor, that starts on Page 7.

10 THE COURT: Okay.

11 MR. PARTRIDGE: For us, I think the Joint List has
12 already been addressed, your Honor. I'm just taking a second to
13 look.

14 The Joint List has been addressed by our earlier
15 discussions today.

16 THE COURT: Okay. Anything else on the Pretrial Order?

17 MR. SNYDER: Nothing further, your Honor.

18 THE COURT: Let's turn to the jury questionnaire.

19 There are a couple of questions on there that seemed to
20 me were pretty broad.

21 One of them is asking whether anybody has ever used
22 Google Earth.

23 Is there some way that we can truncate that, so we
24 don't get a response from every juror as to that?

25 Let me say something like, does anybody use it

1 professionally or on more than an occasional basis?

2 MR. PARTRIDGE: We could add the word "significant."
3 Professionally would be less likely.

4 But someone who just causally checked it out one time,
5 I would like to avoid that.

6 But if we added the word "significant," and let them
7 interpret it for themselves whether they've done it
8 significantly or not, that should avoid having everybody raise
9 their hand.

10 MR. SNYDER: I agree with that revision, your Honor.

11 We could also specify Google Earth as opposed to other
12 Google Maps products, which would narrow it further.

13 Google Maps is a much more commonly used and popular
14 product than Google Earth.

15 THE COURT: Mr. Partridge?

16 MR. PARTRIDGE: Could we say Google Earth or Google
17 Earth for Maps?

18 MR. SNYDER: That would be fine.

19 MR. PARTRIDGE: That would be fine, your Honor.

20 THE COURT: Okay. And then there is a question there
21 about whether anybody had significant experience with law?

22 That may be the wrong question.

23 Are you really asking if they're lawyers and paralegals
24 in law firms, things of that sort?

25 MR. PARTRIDGE: I agree, your Honor, that is pretty

1 broad.

2 This came from a more standard set that's been used in
3 other cases.

4 MR. PARTRIDGE: Your Honor, we're okay dropping the
5 question.

6 THE COURT: We don't ask the question about law.
7 Is that all right, Mr. Snyder?

8 MR. SNYDER: That would be fine, your Honor.
9 Thank you.

10 What about the question that asks whether you or your
11 immediately family was ever employed by the United States
12 Government?

13 That seems like a pretty broad question.
14 What are you trying to get at there?

15 MR. PARTRIDGE: My recollection -- which question is
16 that, your Honor?

17 THE COURT: 10.

18 MR. PARTRIDGE: 10?

19 I think that question was originally proposed by us
20 more narrowly than that. And I thought Google broadened it and
21 we agreed, but I could be incorrect in my recollection of that.

22 MR. SNYDER: We'd be fine with removing the question,
23 your Honor.

24 THE COURT: We have the Patent and Trademark Office
25 applications.

1 MR. PARTRIDGE: We do have the patent apps.

2 Let's remove it, your Honor.

3 THE COURT: So we changed this then and add
4 "significant" having to do with the operation of Google Earth.

5 And there was a tweak at the end of that, which I'm not
6 sure.

7 MR. PARTRIDGE: Google Earth or Google Earth for Map
8 products.

9 THE COURT: Okay. And then in Exhibit D we're
10 eliminating the law and we're eliminating question No. 10.

11 Is there anything else that we need to address about
12 the voir dire questions?

13 MR. PARTRIDGE: That's it for us, your Honor.

14 MR. SNYDER: Nothing further on that exhibit, your
15 Honor.

16 THE COURT: Okay. Why don't we turn to the Motions in
17 Limine?

18 Beginning first with ACI's motion.

19 The two remaining issues here seem to me to be really
20 claim construction issues.

21 And as to the second one, as to Step F, I agree that
22 each of the sections does have to be divided into subsections
23 until it is being addressed.

24 I'm going to grant the In Limine Motion with respect to
25 that. And as a supplement claim construction, I'll issue an

1 order spelling that out.

2 However, with respect to B, I find this to be a very
3 difficult issue. And it also seems to me to be a claim
4 construction issue.

5 Basically, whether -- when the user's device receives
6 the information and displays the material, whether the operation
7 of that device is part of a method.

8 And I've looked at the patent. It seems to me not
9 entirely clear what was intended there.

10 So I'm not -- but I'd like each side to address that
11 question.

12 MR. PARTRIDGE: Mr. Spears will address that for us,
13 your Honor.

14 MR. SPEARS: Your Honor, it's our position that this --
15 it does raise an issue of claim construction.

16 But the issue has actually already been resolved by
17 Judge Andrews.

18 THE COURT: No, I don't think so.

19 But go ahead.

20 MR. SPEARS: I'll lay out our case for that.

21 THE COURT: Well, you have a situation in which the
22 user has the device which has a display device, hardware, and it
23 has software which enables the graphic display.

24 What they want to argue is that the performance of the
25 software on the user's computer or device is part of the method.

1 MR. SPEARS: That's exactly right.

2 I would like to make one point of technical
3 clarification.

4 Where you have a graphics-intensive application
5 program, whether it's Google Earth, whether it's Angry Birds,
6 whether it's whatever, those applications never interface
7 directly with the displayed hardware.

8 They always rely upon low-level software and firmware
9 to do things like to size the image for display on the device.

10 So that's the type further processing we're talking
11 about.

12 Everything that makes a Google Earth image a Google
13 Earth image, as opposed to an Angry Bird image, is output by a
14 Google Earth client. And then the other software acts dumbly to
15 bring that image right to the display device.

16 So that's the technical background.

17 During the claim construction process, Google wanted to
18 set up the very argument that its expert is now making with
19 respect to Claim E -- to Step E.

20 And the way they did that was by advocating a claim
21 construction that requires --

22 THE COURT: I'm not really interested in what the
23 history of this argument is. I'm just trying to get to the
24 right result.

25 And part of the problem is that in Figure 2 of the

1 patent, it describes a device according to the invention, and
2 then that device includes the display arguments.

3 MR. SPEARS: Okay. The background is essential to
4 understanding what Judge Andrews did in his claim construction
5 opinion.

6 THE COURT: I'm not -- I don't think Judge Andrews
7 resolved this. I'm not interested in hearing arguments that he
8 did.

9 I just want you to tell me what's the right answer
10 here.

11 MR. SPEARS: I think that the right answer -- and it's
12 -- the claims are very carefully structured. We don't talk
13 about providing an image.

14 What we talk about is providing a pictorial
15 representation.

16 If you would like, we could provide supplemental
17 briefing on this very point. It seems like that's what the
18 Court is interested in receiving.

19 THE COURT: Mr. Snyder?

20 MR. SNYDER: Mr. Williamson will address this point,
21 your Honor.

22 MR. WILLIAMSON: Your Honor, this was exactly what
23 happened in claim construction. There was a dispute about
24 whether representing meant something other than displaying.

25 And Judge Andrews did decide, now what we have is a

1 motion simply to preclude the expert witness to apply that
2 construction.

3 If the expert goes beyond the construction --

4 THE COURT: Well, I don't agree with that.

5 I think this is an open question. I think it's a
6 difficult question.

7 I think that it would probably be useful to have some
8 supplemental briefing on it.

9 It certainly is the case the data that is supplied by
10 Google Earth can only be displayed on someone's computer using
11 the screen, the hardware, and the software that is within the
12 computer, and that Google doesn't supply.

13 The question is, what was intended by the claim here?
14 What was intended to describe a method, which the data was
15 transmitted to the computer, which uses standard software and
16 hardware to display it, or is the use of the standard software
17 and hardware part of the method claims that we have here?

18 I don't know the answer to that. I think it's a
19 difficult question.

20 And it would be, I think, helpful to have supplemental
21 briefing on that, maybe, let's say at the close of business
22 Tuesday of next week.

23 Does that work?

24 MR. SPEARS: That works for us.

25 And just so the Court is aware, our infringement

1 theories with respect to this limitation aren't directed to a
2 literal infringement theory on Google's direct practice.

3 We also have a combined infringement theory under the
4 Federal Circuit's most recent Akamai decision.

5 The idea that Google is driving everything in that
6 client level software. And we have in theories under the
7 Doctrine of Equivalents that if all you're doing is a post-
8 processing in accordance with standard low-level software that
9 applies to all graphical applications, that that's
10 insubstantial.

11 THE COURT: Okay. I understand.

12 MR. SNYDER: Your Honor, if I may be heard then, since
13 the Court is going to invite supplemental briefing?

14 On the first issue the Court identified, we believe --
15 and it would be -- it would certainly be the fault of Google to
16 have not explained it better, because that is not a closed case.

17 That that's a plain reading of word "each" in context.
18 It can not possibly be --

19 THE COURT: I don't want supplemental briefing on that.

20 I'm going to grant the motion with respect to that
21 aspect of it.

22 Why don't we say no more than 10 pages at the close of
23 business, 5:00 o'clock, 5:00 p.m. next Tuesday?

24 MR. PARTRIDGE: That works for us, your Honor.

25 MR. WILLIAMSON: Thank you, your Honor.

1 THE COURT: Let's turn to ACI's Motion in Limine No. 2
2 here.

3 Who's going to address this one?

4 MR. PARTRIDGE: Mr. Hawes will.

5 MR. HAWES: Do you want me to present or do you have
6 questions?

7 THE COURT: Well, I have a question.

8 You complained that you didn't get to depose Mr. Mercay
9 about this, because this came up after of the close of
10 discovery.

11 Did you ever ask the Court to allow you to depose Mr.
12 Mercay?

13 MR. HAWES: No, your Honor, we didn't.

14 We thought Rule 37 covered this situation.

15 THE COURT: Okay. Well, I'm going to deny the motion
16 here.

17 I think basically Judge Andrews has already ruled on
18 this.

19 That brings us to ACI's Motion No. 3.

20 To some extent, the parties agreed on this, that Google
21 is going to present evidence to support its claim that this is
22 prior art.

23 And the question is whether I'm going to rule during
24 the course of trial whether Google's established its burden to
25 show that this is prior art.

1 And I think that you can raise that in connection with
2 the jury instructions. You can ask me to instruct the jury that
3 this particular claimed piece of prior art is not prior art.

4 I think that's the way we'll leave it.

5 Any questions or comments about that?

6 MR. SPEARS: I think that's an excellent way to go.

7 What I would envision is, there may or may not be some
8 references that are removed, because they haven't presented
9 clear and convincing evidence.

10 There would be some references where you think as a
11 fact issue and would have -- and that would be resolved during
12 the course of the jury verdict. And there would be some
13 references that everyone agrees is prior art and you would
14 instruct the jury to consider them as such.

15 THE COURT: Okay.

16 Mr. Williamson?

17 MR. WILLIAMSON: That's the procedure we were
18 advocating.

19 THE COURT: Okay. So then that brings us to Google's
20 motions.

21 With respect to Google's Motion No. 1, we can agree
22 that it is ACI's belief that it is not going to argue the
23 copying in.

24 If there are questions which seem to get into that
25 area, you can object to them at the trial.

1 I just don't understand how I can deal with this as an
2 In Limine Motion. You're asking me to bar them -- from ACI's
3 questions that imply copying.

4 I can't deal with that.

5 MR. PARTRIDGE: Your Honor, I understand your ruling on
6 that.

7 But the clarification I seek is the exclusion was, the
8 exclusion of any evidence relating to the 1995 interactions
9 between SGI and ACI.

10 So, in addition to excluding suggestions of copying, we
11 also seek to exclude any mention of this interaction, which
12 otherwise has no relevance.

13 And they have tried to identify the three categories
14 that they have and the three identifications all fail as a
15 matter of law.

16 THE COURT: I'm going to deny it in that respect.
17 We'll see how that plays out.

18 If they ask questions which you think enter into an
19 area that is irrelevant, you can object to them at the trial.

20 MR. PARTRIDGE: Thank you, your Honor.

21 THE COURT: But I think they are not trying to show
22 that it is irrelevant evidence in that area.

23 Okay. That brings us to Google's In Limine Motion No.
24 2.

25 And I'm going to grant that.

1 As I mentioned earlier, I'm not going to allow the jury
2 to hear about the PTO's actions on these IPR requests.

3 Any questions about that?

4 MR. SPEARS: Well, there's one point, a point of
5 clarification.

6 We have a serious concern about one of the arguments
7 that Google has advanced for the proposition that one of its
8 alleged prior art references, the Sauter reference is a printed
9 publication.

10 They made this argument in their Summary Judgment
11 Motions and they made this argument before the PTAB.

12 And their argument is that because we included that
13 reference in an IBS submitted with the second reissue
14 application, that that's an admission. That it's actually prior
15 art.

16 THE COURT: Admission as prior art.

17 MR. SPEARS: That's counter to Federal Circuit law.
18 It's counter to the Federal Circuit law that was cited in the
19 IPR decision rejecting their petition for review.

20 And if we get that argument in front of the jury, I
21 would like to be able to inform the jury that that argument is
22 bunk. And that the PTAB found that it was bunk.

23 Alternatively, we might address that issue through an
24 instruction or an immediate curative instruction, if and when
25 that argument even surfaces in front of the jury.

1 THE COURT: Mr. Williamson, are you going to argue that
2 the disclosure -- in the information disclosure statement is
3 prior art, is evidence that it's prior art?

4 MR. WILLIAMSON: Your Honor, my colleague, Ms. Simmons
5 will address that issue.

6 MS. SIMMONS: Good morning, your Honor.

7 We are going to argue, as part of the collective body
8 of evidence, that the disclosure in the IBS proves publication.

9 THE COURT: I thought there was authority that that was
10 not the case?

11 MR. SPEARS: And the PTAB cited about three Federal
12 Circuit decisions directly on point.

13 THE COURT: Well, I think I'm not going to allow that
14 argument, that the admission of the information disclosure
15 statement is evidence of prior art.

16 That takes us to Google's In Limine Motion No. 3.

17 And the parties agree what the law is here.

18 Well, I'm going to, for the moment is, deny this.

19 But if there comes a time in the questioning when
20 there's some evidence developed, testimony that this doesn't
21 count as prior art, because it wasn't implemented, I'll sustain
22 an objection to that.

23 MR. SPEARS: I guarantee you, you will not hear that
24 testimony, your Honor.

25 THE COURT: All right.

1 I think that resolves all the In Limine Motions.

2 Is there anything further on that?

3 MR. WILLIAMSON: No, your Honor.

4 THE COURT: That brings us to Google's Request for
5 Reconsideration.

6 And as I understand it, the ACI damages' expert is
7 going to testify that some of the royalty base here ought to
8 include revenues from Google products, other than Google Earth,
9 which seems to me to be a legitimate appropriate approach.

10 I think that Judge Andrews has essentially already
11 ruled on that.

12 I'm happy to hear from Google about this for a moment,
13 if there's more to be said, but I'm inclined to deny the Motion
14 for Reconsideration.

15 MR. SNYDER: Thank you, your Honor.

16 If I could make four quick points?

17 And I understand that Judge Andrews did look at this.

18 But additional briefing provided in the context of the
19 Motion for Reargument actually clarified the situation quite
20 dramatically and I think proved Google's point.

21 I said four points and I'll limit myself to them.

22 First, in all of the -- there is no discussion in ACI's
23 opposition. And there is no evidence on which Judge Andrews
24 relied to show that these other categories -- to show that Mr.
25 Nawrocki, ACI's expert, connected these other categories to

1 Google Earth.

2 In fact, if you look at the opposition, they don't even
3 cite to Mr. Nawrocki's report after the fourth page of their
4 brief. And even that citation on the fourth page of the brief
5 is for unremarkable proposition that Google's Geo Division
6 contains more products.

7 There is no dispute about that. The question is
8 whether those other direct and indirect categories of revenues
9 should be included in this royalty pool that Mr. Nawrocki is
10 going to rely on.

11 And there isn't anything in Mr. Nawrocki's report to
12 make that connection. He should not be allowed to testify to
13 that. It's just not in his report.

14 That's the first point.

15 The second point, your Honor is, substantively, there
16 isn't any evidence, including in the opposition that ACI has
17 provided, that connects these other categories of revenue to
18 Google Earth.

19 What they said is -- they don't say that any of Google
20 Earth drives demand for those other categories. They don't say
21 that they are the same functional unit. They don't say that
22 these other categories rely on Google Earth in any way.

23 Instead, what they say is, they all generate revenues
24 through X.

25 Well, that's not surprising. Google generates most of

1 its revenue through X.

2 But that's like saying that Saturday Night Live
3 generates revenue through X. And, therefore, it's related to
4 the Today Show, because the Today Show generates revenue through
5 X. It doesn't connect the Today Show and Saturday Night Live in
6 any way.

7 THE COURT: I thought there was something in the record
8 saying that people use Google Earth are drawn to use other
9 Google products as a result of that?

10 MR. SNYDER: They cite one document that says part of
11 the rationale for Google Earth is that they use -- they will use
12 other Google Earth -- they will use other Google products and
13 generate revenue.

14 But that's a generic statement. It does not connect a
15 Google Earth user to any of the particular categories that Mr.
16 Nawrocki relies on.

17 In fact, their brief doesn't even mention most of
18 categories anywhere. And if they are going rely on those
19 sources of revenue, there has to be some reliable evidence that
20 the revenue from those with categories is connected in some way
21 to Google Earth.

22 Just hand-waving and saying that everything is related
23 doesn't justify including those particular revenue streams.

24 And there isn't anything. The one category that they
25 do specifically identify is iPGeo.

1 If you read their paragraph carefully, and look at the
2 evidence as I'm sure the Court did, all it says is that Google
3 Earth generates revenue through ads.

4 IPGeo is related to ads. Therefore, Google Earth must
5 be related to iPGeo or iPGeo must be related to Google Earth.

6 That just logically does not fit.

7 IPGeo is related to serving ads based on geographic
8 locations that are identified through someone's IP address.

9 That's the only evidence in the record that says that,
10 the only evidence -- the only evidence in the record about
11 whether Google Earth uses that process is just from Mr. Hanke.

12 And Mr. Hanke's testimony, which is in Exhibit 4 to our
13 papers says, Google Earth does not use that.

14 There is no connection between iPGeo and Google Earth.
15 None. And they don't provide one.

16 And yet Mr. Nawrocki wants to include literally
17 billions of dollars in revenue from iPGeo in his royalty base.

18 So there really isn't -- not really -- there isn't any
19 evidence that connects any of the challenged categories to
20 Google Earth. Nothing.

21 The third point, your Honor.

22 They attempt to try and resolve this in a way the
23 Federal Circuit has repeatedly said is inappropriate by applying
24 an allocation.

25 And as we point out in our moving papers, the

1 allocation that they rely on is also completely unrelated to the
2 revenue sources on which -- that they are trying to include.

3 That 13 percent, by their own admission, relates to ad
4 revenue.

5 But the categories -- and it relates to a comparison of
6 ad revenue for Earth to ad revenue for Maps.

7 That is one of the categories that Mr. Nawrocki relies
8 on. We agreed that it was appropriate to include that category.
9 We disagree with their math, but that's a different issue.

10 But for these other categories, that 13 percent
11 methodology that Mr. Nawrocki relies on, has no application
12 whatsoever.

13 Now, they go on and they say, well, there is some other
14 material in the record somewhere that creates a different
15 percentage, but none of that relates to any of these other
16 revenue categories that we've challenged. And none of it is
17 relied on by Mr. Nawrocki.

18 We cited to the specific paragraphs in Mr. Nawrocki's
19 report where he explains where this 13 percent came from. He
20 cites one document and one document only.

21 He says in his discussion that he's relying on one
22 document and one document only. And that relates to the
23 division of revenue between Google Earth ads and Google Map ads.
24 It's doesn't have anything to do with any of these other
25 challenged categories.

1 The fourth point, your Honor, is that this creates
2 exactly the kind of problem that the Federal Circuit has
3 repeatedly warned us against.

4 They want to take this enormous pool of revenue, and it
5 is literally several billions of dollars with no connection
6 whatsoever to Google Earth. They want to show that to the jury
7 and use those numbers in front of the jury.

8 And according to the Federal Circuit, you can't put
9 that category back in the bag. It is extremely prejudicial, per
10 se. It has no connection to Google Earth. And to allow them to
11 do that is just inviting error.

12 THE COURT: Okay.

13 Who's going to address this issue?

14 MR. PARTRIDGE: Mr. Hawes.

15 MR. HAWES: First of all, your Honor, this complaint
16 about how we didn't cite Mr. Nawrocki's report.

17 What we cited, because I thought it would be more
18 useful to the Court, was the actual exhibits discussed in Mr.
19 Nawrocki's report. We wanted to show you the actual Google
20 documents that talk about how Google Earth, as one of the three
21 applications to draw users in, results in advertising revenue
22 for the Geo group. And we gave you specific exhibits, and those
23 are exhibits from Mr. Nawrocki's report.

24 So, yes, we didn't say, here's the page in Mr.
25 Nawrocki's report. We instead gave you the specific Google

1 documents that Mr. Nawrocki pointed to as supporting his
2 analysis.

3 And let me address -- they talk about how, well, iPGeo
4 just relates to ads. That was not the testimony of their
5 expert.

6 The testimony of their expert was, all iPGeo is, is the
7 increased value of those ads that are already there. Ads that
8 are linked to Google Earth by the exhibits.

9 THE COURT: By locating the user?

10 MR. HAWES: That's how you get that increased value.

11 But those ads -- those ads in the first place come
12 about by bringing in all these users through these free
13 applications, one being Maps, one being Earth. Later in the
14 process they actually integrate the two.

15 But the Google documents make clear that Google looked
16 at these free applications, and looked at their value by looking
17 at the ads of Geo as a whole. And we identified specific
18 examples of Google doing that internally in the time frame of
19 the hypothetical negotiation.

20 And I think the Home Depot case that we cited is a
21 great example of how -- when you've got a free application, you
22 don't have kind of that starting point of what is the revenue of
23 the application.

24 You have to look at what impact it has and what impact
25 the organization that was putting out the free application saw.

1 And here Google clearly from its internal documents saw
2 that Google Earth, this free application, not -- you know, there
3 are a few places where they license it for money -- but there
4 are millions and billions of times they give it to folks for
5 free.

6 Google internally acknowledged that that was part of
7 the way that they drew people in to get that ad revenue.

8 And iPGeo just means that that ad revenue was higher,
9 but it's ad revenues that Google's own documents say is produced
10 by these free applications, including Google Earth.

11 Now, with regard to the allocation issue that he
12 raises.

13 It's interesting -- I mean, the 13 percent is actually
14 lower than the allocation that he discussed during his
15 deposition, based on the documents their expert had put forward.

16 I mean, he looked at a range of things, and he
17 explained it to them in his deposition and actually chose
18 something on the lower end of the range.

19 So this criticism doesn't take into account exactly
20 what he explained during his deposition. And the number of
21 different documents he looked at to come to the 13 percent.

22 And it's certainly something, if they don't think that
23 document is a good document compared to some of the others that
24 he looked at, they can raise that on cross-examination.

25 But that is not an issue where we need to Daubert it

1 out. They can decide what they think their documents mean. The
2 jury can decide what they think their documents mean. That
3 ought to go in front of the jury and the jury can look at it and
4 decide.

5 THE COURT: Okay.

6 MR. SNYDER: Can I make two points, your Honor?

7 THE COURT: Yes.

8 MR. SNYDER: Thank you.

9 First, we understand that for a free product, the value
10 of the product can probably be identified by looking at other
11 categories of revenue.

12 In fact, our expert has identified not only actual
13 revenue generated from the product, but also indirect sources of
14 revenue that are connected to Google Earth.

15 That's not a controversial proposition.

16 That is not, however -- and this is my second and last
17 point -- that is not an invitation to randomly pick sources.
18 They still -- those revenue sources have to be connected to the
19 accused product, which, in this case, is Google Earth. And
20 that's the step that they have never fulfilled.

21 They can't just generically say that Google looks at
22 other things when it looks at its value, okay?

23 It has to show that Google looks at other sources of
24 revenue when it looks at the value of Google Earth.

25 And there's not a single document that they've

1 identified that connects these other sources of revenue to
2 Google Earth. They -- not the division, generally, but to
3 Google Earth. Not one.

4 There's not been identified a single place in Mr.
5 Nawrocki's report where he gives an analysis of why these other
6 categories of revenue should be included that is based on use of
7 Google Earth.

8 That is completely missing. And that's why it needs to
9 be excluded, as a matter of law.

10 THE COURT: Okay. Well, thank you, both.

11 I'm going to deny the motion. I think it's a very high
12 standard for reconsidering something like this. And I'm sure
13 that at the trial you'll have plenty of cross-examination for
14 ACI's expert as to what he based this on.

15 So that will be the context in which I think this is
16 properly addressed rather than as a Daubert Motion on which
17 Judge Andrews previous ruled.

18 I think then we ought to take a short break, so that
19 counsel can do two things.

20 One is to give me the language to go in the Pretrial
21 Order on those couple of items that we talked about earlier, and
22 also to review the draft of the preliminary jury instructions to
23 see if there's any comments, or objections, or changes that I
24 made.

25 Is there anything that we should do before we break?

1 MR. PARTRIDGE: I think that covers it, your Honor.

2 MR. SNYDER: Nothing further, your Honor.

3 THE COURT: Why don't we give you a half hour.

4 Is that long enough?

5 MR. PARTRIDGE: That should suffice, your Honor.

6 MR. SNYDER: Yes, your Honor.

7 THE COURT: So, we'll resume, let's say, at 10 of
8 12:00.

9 If you can give my law clerk the agreed upon language
10 for the Pretrial Order, that would be helpful, and then we'll
11 discuss in open court any objections that we have for the
12 revisions of the preliminary jury instructions, okay?

13 MR. PARTRIDGE: One request, your Honor?

14 THE COURT: Yes.

15 MR. PARTRIDGE: I suspect both sides have marked up all
16 the copies of your draft of the Pretrial Order in red line form
17 so that we don't have a clean one to work from.

18 Could we ask --

19 MR. SNYDER: I think we may have one.

20 MR. PARTRIDGE: They have a clean copy.

21 THE COURT: Okay. Thank you.

22 (A recess was taken at this time.)

23 (The proceedings resumed at 11:51 o'clock a.m. as
24 follows:)

25 THE COURT: Just so that the discussion about the

1 preliminary jury instructions is clear, I'm going to mark the
2 draft I gave the parties this morning as Exhibit 1 and attach it
3 to the transcript.

4 And I noted during the break that I had inadvertently
5 haven't in Google's defenses and description, that I gave to the
6 jury, which I gather would include the public use defense and a
7 prior inventorship defense as well?

8 MR. SNYDER: Yes, your Honor.

9 THE COURT: Why don't we -- we'll talk about a change
10 to accomplish that, but why don't we first hear from Mr.
11 Partridge.

12 Any objection to the suggestions with respect to the
13 revisions here?

14 MR. PARTRIDGE: I missed the last point. And I will
15 wait for you to discuss it with them.

16 We thought the preliminary instructions were fine as
17 you drafted them -- as you revised them, your Honor.

18 MS. SIMMONS: Your Honor, Luann Simmons for Google.

19 We have one objection.

20 The Court has added on page -- the first sentence of
21 the first full paragraph at Page 11. And the last sentence of
22 the second paragraph on Page 12 the Court has added the
23 statement regarding the presumption that the patent is
24 available.

25 And Google requests that both of those sentences be

1 deleted from the preliminary instructions.

2 It's our position that the instructions already
3 expressly inform the jury that it is Google's burden to
4 establish invalidity by a higher standard, the clear and
5 convincing standard.

6 And our concern is that the jury will be somehow
7 confused or misled by including additionally the statements
8 about the presumption of validity, and that the jury might think
9 that somehow there's two different burdens, or a burden on top
10 of the clear and convincing burden.

11 So we would request that both of those sentences be
12 stricken.

13 THE COURT: Well, the sentence that you're talking
14 about, the first sentence on Page 11 -- and where is the other
15 sentence?

16 MS. SIMMONS: It is on Page 12. The second full
17 paragraph. It's the last sentence.

18 It states, "The higher burden of proof exists because
19 of the presumption of validity."

20 MR. PARTRIDGE: Where is it?

21 THE COURT: Where is it?

22 MS. SIMMONS: So it's about two-thirds of the way down,
23 I would say, your Honor, and it is one of the red line
24 sentences.

25 So it's immediately following a sentence that was

1 stricken and it's in blue.

2 THE COURT: Oh, I see it.

3 What I'm going to do is, I'm going to strike the
4 sentence on the validity.

5 MS. SIMMONS: Thank you, your Honor.

6 THE COURT: In order to have a complete statement about
7 Google's position, you're not relying on on-sale bar or any
8 public use, is that right?

9 MR. SNYDER: We are not relying on the on-sale bar,
10 your Honor.

11 THE COURT: We have the following sentence at the
12 bottom of Page 12.

13 It says that "Google also contends the patent is
14 invalid because the invention was in public use before the
15 priority date and also because of prior inventorship."

16 MR. SNYDER: That's correct, your Honor. Thank you.

17 THE COURT: Any objection to that?

18 MR. PARTRIDGE: Could you read that again? I had a
19 little trouble hearing it.

20 THE COURT: At the bottom of Page 12 I describe the
21 Google's defenses in too limited a way and this is an effort to
22 correct it.

23 The sentence is, "Google also contends that the patent
24 is invalid, because the invention was in public use before the
25 priority date and also because of prior inventorship."

1 MR. PARTRIDGE: Prior inventorship is --

2 THE COURT: Is G.

3 MR. PARTRIDGE: It's not. But it's not an issue that's
4 been raised.

5 THE COURT: I think it's in the stipulation, Exhibit
6 17.

7 They say it with respect to one of the items there. If
8 you look at it.

9 (Pause)

10 MR. PARTRIDGE: You're right, your Honor.

11 It is listed on that stipulation. So that change is
12 fine with us.

13 MR. SNYDER: It's fine with us.

14 THE COURT: With those changes, I think that resolves
15 the preliminary jury instructions.

16 I just wanted to clarify one thing about Exhibit 17.

17 I don't know whether you had read the Nuance case.

18 That reminds me that we had some problems in the past
19 with the clarity of stipulations.

20 Just to be sure that I am clear about Exhibit 17, that
21 means that ACI's only going to raise Claims 1, 3, 14 and 28,
22 correct?

23 MR. PARTRIDGE: That is correct, your Honor.

24 THE COURT: And with respect to Google, the only
25 primary reference they are going to be relying are those listed

1 in Exhibit 17?

2 MR. WILLIAMSON: That's correct.

3 THE COURT: Okay. Well, do we have the revised
4 language for the Pretrial Order?

5 MR. PARTRIDGE: Yes, your Honor.

6 THE COURT: If you would give that to my clerk?

7 We'll look at those over the lunch hour. And I think
8 if we break for lunch, then we can do the text tutorial after
9 lunch.

10 Is there anything, other than the text tutorial that we
11 need to deal with here.

12 MR. PARTRIDGE: I don't think so, your Honor. I think
13 that covers it.

14 THE COURT: Mr. Snyder?

15 MR. SNYDER: Nothing further.

16 THE COURT: Very good.

17 And the screen is set up over there.

18 Is that going to work.

19 MR. PARTRIDGE: Yes, we tested it.

20 THE COURT: All right.

21 Why don't we break for lunch. We'll take an hour for
22 lunch and we'll resume at 1:00 o'clock.

23 MR. PARTRIDGE: Thank you, your Honor.

24 MR. SNYDER: Thank you, your Honor.

25 (The proceedings resumed after the recess as follows:)

1 (The tutorial was played.)

2 THE COURT: We'll put it in a journal.

3 I want to thank counsel for coming today. The tutorial
4 was very helpful. You were helpful in many other ways, too.
5 And I look forward to seeing you next Thursday.

6 We should post the Pretrial Order on the docket today
7 without the exhibits. We'll have to figure out which exhibits
8 are confidential.

9 We'll do the jury selection Thursday at 1:00.

10 (The proceedings adjourned at 1:42 o'clock p.m.)

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